



Republic of the Philippines
Department of Education

Region XII
City Schools Division of Tacurong

March 6, 2023

DIVISION MEMORANDUM

OSDS No. 35 s. 2023

**DISSEMINATION OF DEPED ORDER NO. 005, S. 2023; MEMORANDUM
OUF-2023-0132 AND DEPED ADVISORY**

To: Assistant Schools Division Superintendent
Chiefs of CID and SGOD
Education Supervisors
Cluster Heads and School Heads
Section Heads, Division Office Personnel
Teaching and Nonteaching Personnel
This Division

1. Attached are DepEd Order No. 005, s. 2023 titled ***“Status on the Accreditation of the Manila Teachers’ Savings and Loan Association, Inc Under the Automatic Payroll Deduction System Program”***; Memorandum OUF-2023-0132 Subject: ***“Revocation of License to Operate of the Manila Teachers’ Savings and Loan Association, Inc. (MTSLAI) as Non-Stock Savings and Loan Association, Inc. (NSSLA) by the Bangko Sentral ng Pilipinas (BSP) by the Bangko Sentral ng Pilipinas (BSP)”***; and DepEd Advisory titled ***“Status of Accreditation of the Manila Teacher’ Savings and Loan Association, Inc. (MTSLAI) Under the Department’s Automatic Payroll Deduction System (APDS) Program”***, for the information, guidance, and/or appropriate action of all concerned.

2. Wide dissemination of this Memorandum and all the attached mentioned issuances is hereby enjoined.

MIGUEL P. FILLALAN, JR. CESO VI
Schools Division Superintendent

Enclosure: As stated.

Reference: None

Allotment:

To be indicated in the Perpetual Index under the following subjects:

ACCREDITATION

LICENSE

LOANSPAYROLL



Address: Alunan Highway, Poblacion, Tacurong City 9800
Telephone Numbers: (064)-200-6316; 0919-065-6425
Email: tacurong.city@deped.gov.ph



Republic of the Philippines
Department of Education
OFFICE OF THE UNDERSECRETARY FOR FINANCE

February 20, 2023

ADVISORY

TO : ALL DEPED PERSONNEL

SUBJECT: STATUS OF ACCREDITATION OF THE MANILA TEACHERS' SAVINGS AND LOAN ASSOCIATION, INC. (MTSLAI) UNDER THE DEPARTMENT'S AUTOMATIC PAYROLL DEDUCTION SYSTEM (APDS) PROGRAM

The Department of Education (DepEd) received a letter from the Bangko Sentral ng Pilipinas (BSP) on the enforcement of the revocation of MTSLAI license to operate as Non-Stock Savings and Loan Association (NSSLA) pursuant to the BSP Monetary Board Resolution No. 735 dated May 26, 2022. This was then published by said agency through BSP Circular No. CL 2022-084.

Paragraph 11.3 of the two (2) Terms and Conditions of the APDS Accreditation (TCAA) for loans and mutual aid system (MAS) and membership contributions of MTSLAI under APDS Codes 085 and 0121 A to B, respectively, are quoted as follows:

a. For loans

"11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Lender shall no longer be allowed to grant new business in the affected provinces/regions under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue up to the termination dates reflected in the pay slip. Thereafter, the APDS Code is automatically cancelled.

b. For MAS and Contributions

"11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Accredited Entity shall no longer be allowed to grant new business in the affected provinces/regions under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three (3) months or until requested for stoppage by the concerned Employees, whichever comes earlier. Within sixty (60) calendar days from the said revocation, DepEd shall notify the concerned Employees of the stoppage of deductions, and the latter may transact and/or pay directly to the formerly accredited entity, or terminate their memberships therewith. Thereafter, the APDS Code and Sub-Codes, if any, are automatically cancelled.

Consequently, a DepEd Order No. 005, s. 2023 entitled "Status of the Accreditation of the Manila Teachers Savings and Loan Association, Inc. Under the Automatic Payroll Deduction System Program" has been issued for ready reference and guidance of all DepEd personnel. Particular attention is invited to paragraph 7 of said DO, quoted as follows:

"7. As a result of the revocation of its BSP license as an NSSLA, MTSLAI lost all its privileges to do business as an NSSLA under RA 8367. By virtue thereof, and under the APDS Program, **the MTSLAI is not allowed to grant new business, e.g. mutual aid system membership and new loans beginning November 25, 2022 and in relation to this:**

a. **For the mutual aid system membership dues and/or contributions, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three months or until requested for stoppage by the concerned employees, whichever comes earlier. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled.**

b. **For loans granted before November 25, 2022, the collection of deductions for these existing loans in the APDS for MTSLAI or salary deduction on behalf of MTSLAI shall continue up to the termination dates reflected in the pay slip and until fully paid. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled."**

However, the pre-existing contractual obligations to pay a sum of money between the borrower/DepEd personnel and MTSLAI, despite the supervening events are separate matters between them, and DepEd is not a party to said loans or contracts. Thus, MTSLAI may continue to enforce its loans or contracts with and collect directly from borrowers/DepEd personnel/debtor, outside APDS.

For the savings or membership contributions with MTSLAI, all concerned are hereby advised to directly communicate with MTSLAI branch for any queries/claims or request for refund, if any.

Please be guided accordingly.


ANNALYN M. SEVILLA
Undersecretary for Finance

Copy Furnished:

Mr. Rey David S. Lacson
President and CEO, MTSLAI
918 United Nations, Ermita, Manila



Republic of the Philippines
Department of Education
OFFICE OF THE UNDERSECRETARY FOR FINANCE

MEMORANDUM
OUF-2023- 0132
February 20, 2023

TO : REGIONAL DIRECTORS
DIRECTOR OF BUREAU OF HUMAN RESOURCE AND ORGANIZATIONAL DEVELOPMENT
OFFICER-IN-CHARGE, OFFICE OF THE DIRECTOR FOR INFORMATION AND COMMUNICATION TECHNOLOGY SERVICE
SCHOOLS DIVISION SUPERINTENDENTS
SCHOOL HEADS OF IMPLEMENTING UNIT SECONDARY SCHOOLS
ALL OTHERS CONCERNED

ATTENTION : Regional Chiefs of Administrative and Finance Divisions
Chief of Personnel Division, BHROD
Officer-In-Charge, Solutions Development Division, ICTS
Heads of Regional Payroll Services Unit

FROM : 
ANNALYN M. SEVILLA
Undersecretary for Finance


GLORIA JIMAMIL-MERCADO
Undersecretary for Human Resource and Organizational Development


JOSE ARTURO C. DE CASTRO, J.D., LL.M., J.S.D.
Undersecretary for Legal and Legislative Affairs

Subject : **REVOCATION OF LICENSE TO OPERATE OF THE MANILA TEACHERS' SAVINGS AND LOAN ASSOCIATION, INC. (MTSLAI) AS NON-STOCK SAVINGS AND LOAN ASSOCIATION, INC. (NSSLA) BY THE BANGKO SENTRAL NG PILIPINAS (BSP)**

1. This is to inform all concerned that on November 25, 2022, the Office of the Secretary received a letter dated November 23, 2022, from the BSP on the enforcement of the revocation of MTSLAI license to operate as NSSLA pursuant to the BSP Monetary Board Resolution No. 735 dated May 26, 2022. This was then published by said agency through BSP Circular No. CL 2022-084.

2. Paragraph 11.3 of the two (2) Terms and Conditions of the APDS Accreditation (TCAA) for loans and mutual aid system (MAS) and contributions of MTSLAI under APDS Codes 085 and 0121 A to B, respectively, are quoted as follows:

2.1 For loans

"11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Lender shall no longer be allowed to grant new business in the affected provinces/regions under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue up to the termination dates reflected in the pay slip. Thereafter, the APDS Code is automatically cancelled.

2.2 For MAS and Contributions

"11.3 The Accreditation shall be revoked upon commission of grounds classified as "Serious". When the Accreditation is revoked, the Accredited Entity shall no longer be allowed to grant new business in the affected provinces/regions under the APDS. However, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three (3) months or until requested for stoppage by the concerned Employees, whichever comes earlier. Within sixty (60) calendar days from the said revocation, DepEd shall notify the concerned Employees of the stoppage of deductions, and the latter may transact and/or pay directly to the formerly accredited entity, or terminate their memberships therewith. Thereafter, the APDS Code and Sub-Codes, if any, are automatically cancelled.

3. Consequently, a DepEd Order No. 005, s. 2023 entitled "*Status of the Accreditation of the Manila Teachers Savings and Loan Association, Inc. Under the Automatic Payroll Deduction System Program*" has been issued on the matter.

4. In view of the foregoing, all payroll processors are directed to perform the following:

- a. Not to accept any new business or billing statements for transactions under APDS Codes 085 for loans and 0121 A and B for savings and mutual aid system (death aid) granted to DepEd personnel by MTSLAI **beginning November 25, 2022**;
- b. Continue servicing the collection of amortizations for loans granted to MTSLAI borrowers under APDS Code 085 **before November 25, 2022** and those already incorporated in the payroll as of the said date, up to the termination dates reflected in their pay slips and until fully paid, and remit the same to the said association. Thereafter, the said APDS code is automatically cancelled;
- c. Continue servicing the collections of deductions for mutual aid system and contributions under APDS Codes 0121 A and B that are already incorporated in the payroll system for the next three (3) months after November 25, 2022, i.e. **from December 2022 to February 2023** or until requested for a stoppage by the DepEd MTSLAI member, whichever comes earlier and remit the same to MTSLAI. Thereafter, APDS Codes 0121 A and B are automatically cancelled; and

- d. Post the message below in the pay slips of DepEd personnel, to be programmed by the Solutions Development Division, Information and Communication Technology Service:

"APDS Codes 0121 A and B shall be terminated after one (1) month reckoning this payroll month, in view of the revocation by BSP of the MTSLAI license to operate as NSSLA. Please directly communicate with MTSLAI branch for any queries/claims on refund of your contributions, if any, to the association.


For loans, however, the pre-existing contractual obligations to pay a sum of money between the borrower/DepEd personnel and MTSLAI, despite the supervening events are separate matters between them, and DepEd is not a party to said loans or contracts. Thus, MTSLAI may continue to enforce its loans or contracts with and collect directly from borrowers/DepEd personnel/debtor, outside APDS."

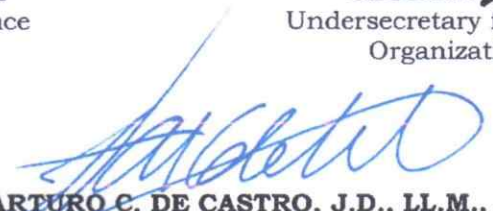
5. The Regional Directors are also requested to ensure the dissemination of this Memorandum and the attached copy Advisory to DepEd personnel, for their information and guidance.

For compliance.

Thank you.


ANNALYN M. SEVILLA
Undersecretary for Finance


GLORIA JIMAMIL-MERCADO
Undersecretary for Human Resource and
Organizational Development


JOSE ARTURO C. DE CASTRO, J.D., LL.M., J.S.D.
Undersecretary for Legal and Legislative Affairs



Republic of the Philippines
Department of Education

FEB 20 2023

DepEd ORDER
No. **005**, s. 2023

**STATUS ON THE ACCREDITATION OF THE MANILA TEACHERS' SAVINGS
AND LOAN ASSOCIATION, INC. UNDER THE AUTOMATIC
PAYROLL DEDUCTION SYSTEM PROGRAM**

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Directors
Schools Division Superintendents
Public Elementary and Secondary School Heads
All Others Concerned

1. Pursuant to DepEd Order No. (DO) 020, 2021 titled **Enhanced Guidelines on Accreditation/Re-Accreditation of Private Entities Under the Automatic Payroll Deduction System Program** dated May 27, 2021, the Department of Education (DepEd) shall regulate the use of its Automatic Payroll Deduction System (APDS) Program in order to facilitate and ensure the orderly implementation of salary deductions, and for the protection and promotion of the welfare of all teachers and employees by addressing the concerns and issues from the internal and external stakeholders and by limiting the disputes regarding the issues related to salary deductions.
2. The Manila Teachers' Savings and Loan Association, Inc. (MTSLAI) was one of the non-stock savings and loan associations (NSSLAs) that has been granted the privilege of accreditation under the DepEd APDS Program for the period of August 6, 2021, until December 31, 2025, predicated upon compliance of certain conditions under existing DepEd issuances.
3. To be eligible for the APDS accreditation, DO 020, s. 2021 requires the applicant to be legally organized and duly registered with government regulatory agencies, such as the Bangko Sentral ng Pilipinas (BSP), and that it is operating and in good standing for the current year as certified by the BSP, among others. In addition, for BSP-registered entities, the applicant must have a valid Certificate of Authority (license to operate).
4. The BSP, through a letter dated November 23, 2022¹, informed DepEd that after proceedings and by virtue of the Monetary Board, (MB) Resolution No. 735 dated May 26, 2022, the BSP enforced the following supervisory actions on MTSLAI:
 - a. Revocation of license to operate as a NSSLA pursuant to Section 22 of Republic Act (RA) No. 8367, otherwise known as **The Revised Non-Stock Savings and Loan Association Act of 1997**, for willful violation of the said law and other corresponding BSP regulations; and

¹ This letter, addressed to Vice President and Secretary of Education Sara Z. Duterte from Deputy Governor Chuchi G. Fonacier, was received by DepEd, through the Office of the Secretary on November 25, 2022. Herein attached as Annex "A".

- b. Imposition of monetary penalties, pursuant to Section 37 of RA 7653, otherwise known as **The New Central Bank Act**, as amended and Memorandum to all NSSLAs dated March 30, 2006.
5. DO 020, s. 2021 and the Terms and Conditions of the APDS Accreditation (TCAA) provided that: **The accreditation shall be revoked upon commission of grounds classified as serious.** One of the serious grounds is when the Certificate of Authority (license to operate) of the entity is cancelled or terminated by the BSP, among others.
6. The BSP MB's revocation of MTSLAI's license to operate as an NSSLA, which attained finality pursuant to MB Resolution No. 1676, s. 2022, and its enforcement thereof, all produce a binding effect upon the DepEd, necessarily resulting in the revocation of MTSLAI's accreditation, as it renders the latter ineligible to participate in the APDS.
7. As a result of the revocation of its BSP license as an NSSLA, MTSLAI lost all its privileges to do business as an NSSLA under RA 8367.² By virtue thereof, and under the APDS Program, **the MTSLAI is not allowed to grant new business, e.g., mutual aid system membership and new loans beginning November 25, 2022, and in relation to this:**
 - a. **For the mutual aid system membership dues and/or contributions, collection of deductions already incorporated in the APDS as of the date of revocation shall continue for the next three months or until requested for stoppage by the concerned employees, whichever comes earlier. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled.**
 - b. **For loans granted before November 25, 2022, the collection of deductions for these existing loans in the APDS for MTSLAI or any salary deduction on behalf of MTSLAI shall continue up to the termination dates reflected in the pay slip and until fully paid. Thereafter, the corresponding APDS Codes and Sub-Codes, if any, are automatically cancelled.**
8. The Finance Service and the APDS Task Force are directed to perform the following:
 - a. Ensure that no DepEd employee shall be allowed to apply for mutual aid system membership and/or contributions or loan with MTSLAI beginning November 25, 2022; and
 - b. Issue an advisory to all teaching and nonteaching personnel of DepEd, who availed of the APDS Program, informing them of the BSP's enforcement of its adjudication to revoke the Certificate of Authority of the MTSLAI, and its attending consequences in relation to the existing loan contracts and the terms and conditions in connection with its payment. The pre-existing contractual obligations to pay a sum of money existing between the borrower/DepEd personnel and MTSLAI, despite the



² Last par. Section 4, R.A. No. 8367, to wit: "No person, association, partnership or corporation shall do business, or hold itself out as doing business, as an Association, or shall use the term "Savings and Loan Association" or any other title or name tending to give the public the impression that it is engaged in the operations and activities of an Association, unless so authorized under this Act."

supervening events, are separate matters, with DepEd not being a party to the loans or contracts between MTSLAI and its DepEd-employee borrowers. Thus, MTSLAI may still continue to enforce its loans or contracts with and collect directly from DepEd-employee borrowers/debtors, outside of APDS.

9. For more information, please contact the **Employee Account Management Division**, 2nd Floor, Teodoro Alonzo Building, Department of Education Central Office, DepEd Complex, Meralco Avenue, Pasig City, through email at fs.eamd@deped.gov.ph or at telephone number (02) 8633-7248.

10. This Order shall take effect immediately upon posting on the DepEd website. Certified copies of this Order shall be registered with the Office of the National Administrative Register (ONAR) at the University of the Philippines Law Center (UP LC), UP Diliman, Quezon City.

11. Immediate dissemination of and strict compliance with this Order is directed.


SARA Z. DUTERTE
Vice President of the Philippines
Secretary of the Department of Education 

Reference:

DepEd Order (No. 020, s. 2021)

To be indicated in the Perpetual Index
under the following subjects:

ACCREDITATION
AMENDMENT
LOAN
PAYMENT
POLICY
PROGRAMS
REVOCAATION



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